

Section 12.4A. Of the funds appropriated in this act to the Department of Health and Human Services, the sum of five hundred thousand dollars (\$500,000) for the 1998-99 fiscal year shall be used to provide grants-in-aid for capital improvements at sheltered workshop facilities. The Department shall develop guidelines for awarding grants. Grant awards shall be based on greatest need and shall not exceed fifty thousand dollars (\$50,000) per grant recipient.

SUBPART 2. MEDICAL ASSISTANCE

Requested by: Senator Martin of Guilford, Representatives Gardner, Cansler, Clary

MEDICAID GROWTH REDUCTION

Section 12.5. Section 11.10 of S.L. 1997-443 reads as rewritten:

"Section 11.10. (a) The Department of ~~Human Resources~~ Health and Human Services shall develop and implement a plan that is designed to reduce the growth of Medicaid to eight percent (8%) by the year 2001. However, the Department shall not eliminate categories of eligibles or categories of services to achieve this reduction unless the General Assembly identifies specific categories of eligibles or categories of services that it wants eliminated.

(b) The Division of Medical Assistance, Department of ~~Human Resources~~, Health and Human Services, shall consider the following actions in developing the plan to reduce Medicaid growth:

- (1) Changes in the methods of reimbursement;
- (2) Changes in the method of determining or limiting inflation factors or both;
- (3) Recalibration of existing methods of reimbursement;
- (4) Develop more specific criteria for determining medical necessity of services;
- (5) Contracting for services;
- (6) Application of limits on specific numbers of slots or expenditure levels for certain services or both;
- (7) Expansion of managed care; and
- (8) Recommend changes in statutes to enhance the ability of the Department to manage the program.

(c) In considering the actions listed in subsection (b) of this section and in the development of the Medicaid growth reduction plan, the Division of Medical Assistance, Department of ~~Human Resources~~, Health and Human Services, shall not adjust reimbursement rates to levels which would cause Medicaid providers of service to be out of compliance with certification requirements, licensure rules, or other mandated quality or safety standards.

(d) The Division of Medical Assistance, Department of ~~Human Resources~~, Health and Human Services, may make periodic progress reports to the ~~Chairs members of the House and Senate Appropriations Subcommittees on Human Resources~~ Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources and shall make a final report no later than September 1, 1997, on any actions the Department intends to take to